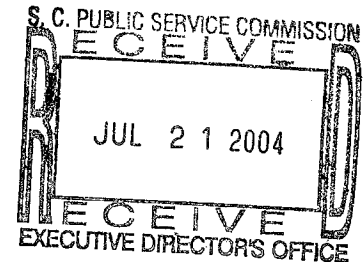


BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-90-W/S

RECEIVED
21 July 2004

Legal 1
S.A. 5



In RE:

Proposed Rate Increase of Total) DIRECT TESTIMONY
Environmental Solutions, Inc.) OF BILL LEWIS

1 Q Would you please tell the Commission your name and business address.

2 A My name is Bill Lewis and my business address is 800 Hickory Trail, Westminster,
3 South Carolina.

4
5 Q By whom are you employed and in what capacity.

6 A I am the comptroller/manager for the Foxwood Hills Property Owners Association
7 and have been so for a number of years.

8
9 Q So you are familiar with the Foxwood Hills development but are you familiar
10 with TESI's request for a rate Increase.

11 A Yes.

12
13 Q Are you familiar with TESI's assertion that one source for its present
14 cost problems lies in a situation wherein 543 water and 561 sewer customers
15 are serviced by 70 miles of water and sewer lines?

RETURN DATE: OK RNG
SERVICE: OK RNG

1 A Yes.

2

3 **Q With your knowledge of the Foxwood Hills community, do you have**
4 **some opinion on how the request for a rate increase will interplay with a**
5 **small and scattered customer population?**

6 A Yes. The last couple years we are finally seeing some growth in the Foxwood
7 Hills development. Most of our long time lot owners and many of our new lot
8 owners are low and middle income people. And no matter the income level of the
9 lot owner, most lot owners do not live in the community all the time. Many only
10 come and stay on their lots a few times a year. The low to middle income owners
11 simply would not be able to afford a combined water/sewer charge of over
12 \$120.00 a month. The owners who only come a few times a year, no matter what
13 their income level, will have a hard time justifying continued ownership while
14 being charged over \$120.00 a month for water and sewer services that they rarely
15 utilize. These same people could own lots elsewhere and pay much less every
16 month for water and sewer.

17

18 **Q How would this impact on residents and prospective buyers.**

19 A Many low to middle income residents would simply have to leave. They couldn't
20 afford to stay. Prospective purchasers would be scared off. So the growth we are
21 now enjoying would be stopped.

22

23 **Q Isn't it drastic to say that residents would leave?**

1 A No. After the last rate Increase, some of our residents over time could not keep
2 up with their water/sewer charges. They allowed their water/sewer services to be
3 cut off. These people now utilize the bathhouses for their water and sewer needs.
4

5 **Q If many of your residents only use their lots a few times a year and use little**
6 **in the way of water and sewer services, how can TESI's costs be so high.**

7 A Mike Dodson's testimony touched on this. I don't know much about the
8 maintenance, or lack thereof, of the system, but from some things I've seen, I do
9 suspect leaks. While these leaks, when found, may not be properly fixed I suspect
10 that many serious leaks go undetected or unrepaired and persist. TESI's system
11 within Foxwood Hills simply lacks any way to pinpoint leaks.
12

13 **Q Does this conclude your testimony?**

14 A Yes, except to reemphasize that the proposed rate increase would be catastrophic
15 for the Foxwood Hills development.